

ND RETIREMENT AND INVESTMENT OFFICE

9/11/2008

Balance Sheet As of 7/31/2008

	As of <u>7-31-08</u>	As of <u>6-30-08</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,587,658,292	\$ 1,603,374,536
INTERNATIONAL EQUITIES	719,179,827	751,763,915
DOMESTIC FIXED INCOME	2,088,687,793	2,116,937,618
INTERNATIONAL FIXED INCOME	194,797,680	193,480,800
REAL ESTATE	417,459,671	433,101,768
ALTERNATIVE INVESTMENTS	201,744,809	203,274,502
INVESTED CASH (NOTE 1)	<u>111,426,494</u>	<u>82,143,865</u>
 TOTAL INVESTMENTS	 5,320,954,566	 5,384,077,004
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	19,660,116	22,250,668
CONTRIBUTIONS RECEIVABLE	187,800	8,065,995
MISCELLANEOUS RECEIVABLE	<u>12,171</u>	<u>10,464</u>
 TOTAL RECEIVABLES	 19,860,087	 30,327,127
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	193,890,419	193,890,417
OPERATING CASH	10,399,726	11,236,491
FIXED ASSETS (NET OF ACCUM DEPR)	<u>555,989</u>	<u>555,989</u>
 TOTAL ASSETS	 <u>\$ 5,545,660,787</u>	 <u>\$ 5,620,087,028</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	193,890,419	193,890,417
ACCOUNTS PAYABLE	51,380	87,142
ACCRUED EXPENSES	328,846	550,970
CAPITAL LEASE PAYABLE	0	0
INVESTMENT EXPENSES PAYABLE	<u>6,783,377</u>	<u>6,781,460</u>
 TOTAL LIABILITIES	 201,054,022	 201,309,989
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	5,418,777,039	5,653,845,145
CASH IN DURING YEAR (NOTE 3)	35,315,000	457,757,640
CASH OUT DURING YEAR (NOTE 4)	41,455,033	402,350,350
NET INCREASE (DECREASE)	<u>(68,030,241)</u>	<u>(290,475,396)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>5,344,606,765</u>	 <u>5,418,777,039</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 5,545,660,787</u>	 <u>\$ 5,620,087,028</u>

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9/11/2008

Profit and Loss Statement For the Month Ended 7/31/2008

	Month Ended <u>7-31-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 11,186,748	\$ 11,186,748
SECURITIES LENDING INCOME	419,916	419,916
	<u>11,606,664</u>	<u>11,606,664</u>
GAIN ON SALE OF INVESTMENTS	47,065,665	47,065,665
LOSS ON SALE OF INVESTMENTS	<u>43,166,559</u>	<u>43,166,559</u>
NET GAINS (LOSSES) INVESTMENTS	3,899,106	3,899,106
INVESTMENT EXPENSES	3,548,746	3,548,746
SECURITIES LENDING EXPENSES	<u>319,686</u>	<u>319,686</u>
NET INVESTMENT INCOME	11,637,338	11,637,338
NET APPREC (DEPREC) MARKET VALUE	(70,161,229)	(70,161,229)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(10,501)</u>	<u>(10,501)</u>
TOTAL INVESTMENT INCOME	(58,534,392)	(58,534,392)
CONTRIBUTIONS & ASSESSMENTS (NOTE 5)	204,317	204,317
PURCHASED SERVICE CREDIT (NOTE 6)	489,313	489,313
PENALTY & INTEREST (NOTE 7)	<u>1,012</u>	<u>1,012</u>
TOTAL ADDITIONS	<u>(57,839,750)</u>	<u>(57,839,750)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 8)	9,472,866	9,472,866
PARTIAL LUMP SUM BENEFITS PAID	516,322	516,322
REFUNDS TO MEMBER (NOTE 9)	<u>85,884</u>	<u>85,884</u>
TOTAL BENEFITS PAID	10,075,072	10,075,072
ADMINISTRATIVE EXPENSES	115,418	115,419
TOTAL DEDUCTIONS	<u>10,190,490</u>	<u>10,190,491</u>
NET INCREASE (DECREASE)	<u>\$ (68,030,240)</u>	<u>\$ (68,030,241)</u>

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9/11/2008

Notes To Financial Statements

July 31, 2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 5 **CONTRIBUTIONS**

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

NOTE 6 **PURCHASED SERVICE CREDIT**

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 7 **PENALTY & INTEREST**

Amounts charged to school districts for late payment or reporting of contributions.

NOTE 8 **BENEFITS PAID TO PARTICIPANTS**

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 9 **REFUND TO MEMBERS**

Refunds of teachers' accounts who have ceased teaching in North Dakota.